Driving Economic Development

It is EDGE’s vision that all people in Memphis and Shelby County should have opportunities for economic prosperity.

Since the launch of EDGE in 2011, we have been working to make that vision a reality. We have focused on building a solid foundation for streamlined incentives and other competitive financial tools. Entering our sixth year, we now embark on a broader agenda to advance local economic development. EDGE is concentrating development efforts around five main areas: boosting industrial development, bolstering small business expansion, accelerating neighborhood revitalization, fostering regional collaboration, and leveraging the International Port of Memphis.
Q3 2018 EDGE Projects

1. The Northwest Company, LLC
2. Onyx Medical, LLC
3. Barrett Distribution Centers, LLC
4. Kemet Nu Enterprises
5. Family Multiplex Center
6. Kohler Co., Inc.
The Northwest Company, LLC
Fast Track PILOT (Payment-In-Lieu-of-Tax)

The Northwest Company, LLC was awarded a ten-year EDGE Fast Track Payment-In-Lieu-of-Tax (PILOT). The project will bring 25 new jobs to Memphis with an average base salary of $34,250 excluding benefits and invest $5.7 million to the facility located at 4755 Southpoint Drive.

Founded in 1987 and headquartered in Roslyn, New York, with facilities in North Carolina and California, The Northwest Company is a top manufacturer of branded blankets and throws. The company imports, manufactures, and distributes blankets, pillows, towels, bags, and accessories under licensing agreements with Disney, the NFL, MLB, NHL, NBA, MLS, and more than 250 colleges. The company sells to specialty stores and mass merchant retailers throughout the United States and Canada, and operates an online retail presence. The Northwest Company will lease a long vacant distribution facility in Southeast Memphis to support its customer base in the Central United States and house order entry, customer services and clerical functions.

EDGE Staff projects $5,117,002 in tax revenues to be received during the PILOT term and an estimated $4,967,197 benefit to The Northwest Company, LLC.

For more information about this project, please visit the EDGE Project Database. http://database.growth-engine.org
Onyx Medical LLC was awarded a nine-year EDGE Expansion Payment-In-Lieu-of-Tax (PILOT) to encourage the company to retain 116 jobs, create 30 net new jobs, and invest $10,999,800 at 1800 North Shelby Oaks Drive.

Onyx Medical will maintain a total of 146 employees with an average salary of $54,939 including overtime and bonus but excluding benefits.

Parcel 08904400360 (1800 North Shelby Oaks Drive) is 4.55 acres and contains a 52,536 square foot manufacturing facility. Parcel 08904400366 (0 North Shelby Oaks Drive) is 2.05 acres and will enable the company to expand its facility by approximately 27,000 additional square feet. New personal property investments and real property is included in the PILOT.

Onyx Medical LLC is a contract manufacturer of precision medical devices headquartered in Memphis, Tennessee. Established in 1990, Onyx provides wires, guide pins, drills, and screws for the world’s leading orthopedic companies. Through a new ownership structure, the company now has sister operations in Sweden, Denmark and China. The company is poised to grow once more necessitating a larger facility with new manufacturing equipment.

Staff projects $6,440,266 in tax revenues to be received during the PILOT term and an estimated $1,465,053 benefit to Onyx Medical.

For more information about this project, please visit the EDGE Project Database. http://database.growth-engine.org
Barrett Distribution Centers, LLC was awarded an eight-year Jobs PILOT to encourage the company to create 74 net new jobs and invest $22,100,307 at 6100 East Holmes Road.

Barrett Distribution will create 74 net new jobs with an average salary of $44,217 excluding benefits.

Barrett Distribution Centers, LLC operates third-party warehouse and distribution centers. The company has one other facility in the Memphis market that has taken advantage of, and performed well in, the PILOT program.

This location will provide apparel distribution and order fulfillment for international clothing brands. Activities at this location will include full-carton and individual garment picking, as well as other value-added services.

Staff projects $3,285,033 in tax revenues to be received during the PILOT term and an estimated $2,952,889 benefit to Barrett Distribution.

For more information about this project, please visit the EDGE Project Database. http://database.growth-engine.org

Kohler Co., Inc. was approved for a Usage-Driven Foreign Trade Zone site at 3500 Air Center Cove, Memphis, TN 38118. Kohler will occupy 160,000 square feet of warehouse space.

Founded in 1873 and headquartered in Kohler, Wisconsin, Kohler Co. is one of America’s oldest and largest privately held companies comprised of more than 35,000 associates. With more than 50 manufacturing locations worldwide, Kohler is a global leader in the manufacture of kitchen and bath products; engines and power systems; and premier cabinetry and tile.
Ayele Akibulan, dba Kemet Nu Enterprises, was awarded a $15,000 Inner City Economic Development (ICED) Loan to help improve the exterior appearance, replace the roof, and install an HVAC system at 988/990 Mississippi Boulevard. Total project costs are $90,000 and project costs qualified for forgivable Inner City Economic Development Loan funds are estimated to be $59,700.

Mr. Akibulan has a Bachelors of Business Administration from LeMoyne-Owen College and a Masters in Human Resource Management from Webster University. He has 20 years of experience in restaurant and entertainment ventures. He has also spent 17 years as a staffing manager and is currently employed with Shelby County Schools.

Kemet Nu will derive most of its revenue from food sales. Its business model is to provide Internet access to the community in general; but also, target job seekers and small business owners who need an alternative workspace during the day. Printers, faxing, and a conference room will be available in a café setting. In the evenings, the space will be used as a cultural resource center with live entertainment, poetry readings, music, and documentary screenings.

The loan will help Mr. Akibulan restore the 1,520 square foot building constructed in 1964. In addition to an extensive interior remodel, the exterior façade will be restored, the roof replaced, electrical upgraded, and new HVAC installed. This project is supported by Community LIFT and Delectable D&W Foodservice and Catering.

- Loan Approved: $15,000
- Total Capital Investment: $90,000
- Total Jobs: 2

For more information about this project, please visit the EDGE Project Database. http://database.growth-engine.org
Steven Dortch, dba Family Multiplex Center, was awarded a $20,000 Inner City Economic Development (ICED) Loan to help improve the exterior appearance, upgrade electrical, and install an HVAC system for three new businesses located at 1025/1029 Whitney Avenue. Total project costs are $51,409 and project costs qualified for forgivable Inner City Economic Development Loan funds are estimated to be $36,309.

Mr. Dortch is a general contractor who works primarily in the Frayser area. He has an active contract to secure blighted properties for the City of Memphis. He wants to provide space for businesses interested in serving the neighborhood.

Mr. Dortch has purchased the property and plans to renovate three spaces for three separate businesses. One space is reserved for a clothing boutique. One space is reserved for Royal Banquet and Event Center. A barber shop, beauty shop and other prospects are in negotiations for the third space.

The loan will help Mr. Dortch restore the 11,203 square foot building constructed in 1958. In addition to an extensive interior remodel, the exterior façade will be restored, electrical upgraded, and a new HVAC system installed. This project is supported by Steve Lockwood and the Frayser Community Development Corporation.

- Loan Approved: $20,000
- Total Capital Investment: $51,409
- Total Jobs: 6

For more information about this project, please visit the EDGE Project Database. http://database.growth-engine.org

Inner City Economic Development Loan Program Performance To Date

48 ICED Borrowers (as of 3.31.18)
$1,048,418 ICED FUNDS
$3.6 MILLION CAPITAL INVESTMENT
360 JOBS
EDGE SCORECARD

124 PROJECTS
PILOTS: 69  Loans: 49  TIFs: 2  Bonds: 4

$3.4 BILLION CAPITAL INVESTMENT

New Tax Revenue $1,153,648,202
Taxes Abated $441,381,814

$2.59 BENEFIT-TO-COST-RATIO:
New taxes generated per $1.00 of taxes abated

17,163 JOBS
$71,784 average wage
$2,838 incentive amount per job/per year

Local Business Participation

$467,773,973 $1.06 BENEFIT-TO-COST-RATIO:
Spending per $1.00 Tax Abated

*PILOTS only
Greater Memphis Alliance for a Competitive Workforce (GMACWorkforce)

MemphisWorks User Update

- MemphisWorks, GMACWorkforce’s online career navigation and exploration system, continues to gain users. As of March 31, 2018, there are 731 active organizations/companies registered on MemphisWorks. There are 8,588 active job seekers enrolled in MemphisWorks.

- An offline MemphisWorks pilot project was conducted at Shelby County Detention Center using a portable server. During the 12-week training program prior to client release, residents access job readiness online learning programs and earned badges for course completions, developed resumes, and viewed local job listings. SCDC requested a 2nd Round of classes to begin April 11, 2018.

Tennessee Department of Education: Pathways Tennessee

GMACWorkforce was asked to lead the Tennessee Department of Education’s Pathways Tennessee for Shelby County. This is a three to four-year project that will support public school children’s exposure to career opportunities and the education pathways for success. The Leadership Council established the following priority areas during the strategic planning retreat on March 8, 2018.

- Increase Early Post-Secondary Opportunities (EPSOs) for all students in industry sectors of focus
- Offer stackable credentials for students in industry sectors of focus
- Increase work-based learning for students in industry sectors of focus

Grant Updates

Department of Labor, Trade Adjustment Assistance Career and Community College Training (TAACCCT) 4 Grant

- Goal: to expand local post-secondary capacity in selected manufacturing and transportation, distribution, and logistics programs
- Grant amount: $9,814,818 as of 03/31/18
- Grant Programmatic Activities ended 03/31/18; Grant Close-Out continues through 09/30/18
- Enrollment: 1,683 participants
- Completed Program of Study: 938 participants (preliminary)
- Industry Recognized Credentials (IRCs) Awarded: 578 participants earned 1896 credentials (preliminary)

Department of Labor, America’s Promise Grant (MOVE-HIRE: Medical device Occupations Value Education and Help in the Regional Economy)

- Goal: to prepare and train unemployed/underemployed individuals in machining, finishing, quality, packaging, logistics, and engineering careers associated with the medical device industry
- Grant amount: $5,992,314 as of 03.31.18
- Enrollment: 68 participants
- Industry Recognized Credentials (IRCs) Awarded: 26
Memphis & Shelby County Port Commission

Navy Property

The Memphis and Shelby County Port Commission has submitted an application to the U.S. Department of Transportation, Maritime Administration for conveyance of 46 acres of property on Presidents Island. The Port Commission and EDGE have been working for the last 4 years with the current owner, the U.S. Navy, to acquire excess property at the old Chicago Bridge and Iron company location at the extreme west end of the industrial portion of Presidents Island. Once acquired, the location will be the biggest open lot available for development on the 1,000-acre Presidents Island industrial complex.

President Island Real Estate Vacancy Rate

The 1,000-acre Presidents Island industrial park is nearing 100% capacity. The island vacancy rate is the lowers it has been for more than 25 years. There are only three lots of 10 to 25 acres available. However, two of those lots are currently in negotiations for new ownership. Additionally, a number of long-term companies on the island continue to expand their operations by purchasing other buildings on the Island when they become available.

Roadway PavementGrant

The Memphis and Shelby County Port Commission has been working with the Metropolitan Planning Organization and the City of Memphis to submit to the State of Tennessee a $4.5 million industrial road resurfacing proposal for Presidents Island. The funds would come from the Transportation Improvement Program (TIP). The City has committed the match to the 2019 budget and the application has been submitted to the Tennessee Department of Transportation. The oversight of the application process is being handled by Kimley-Horn Engineering on behalf of the Port Commission.

TVA Site Demolition

The Executive Director of the Memphis and Shelby County Port Commission, Randy Richardson, has met several times with TVA in the month of March to discuss the future demolition plans for the Allen Fossil plant along the shore of McKellar Lake. The Port Commission has an interest in recovering the property for future port expansion. After demolition, there could be up to 130 acres of property available for waterfront development.

Flood Repairs

The early wave of flooding in 2018 has already caused minor damage to parts of Presidents Island. The main farm road leading to the 3,000 acres of agricultural fields on Presidents Island was washed out in March by earlier than expected flood waters that reached 38 feet on the Memphis gauge (see Photo). An inspection of the 6,100-foot long, $30 million-dollar repair of the north shore of Presidents Island, caused by the flood of 2011, showed no damage.
Major Programs

- **Financing**
  - EDGE Impact Fund
  - Inner City Economic Development (ICED) Loans
  - Taxable and Tax-Exempt Industrial Revenue Bonds (IRB)

- **Tax Incentives**
  - Foreign Trade Zone (FTZ) 77
  - Payment-in-Lieu-of-Tax (PILOT) Incentives
  - Tax Increment Financing (TIF)

- **International Port of Memphis**
  - Harbor Dredging
  - Port Master Plan

- **Small Business Technical Assistance**
  - Economic Gardening
  - SBA Emerging Leaders

- **Workforce Development**
  - 2016 Labor Study
  - America's Promise Grant/MOVE-HIRE*
  - Industry outreach, assessment, and training support
  - MemphisWorks
  - Ready Whitehaven Workforce Initiative
  - Trade Adjustment Assistance Community College and Career Training Program (TAACCCT) Grant*

*funded by the U.S. Department of Labor

EDGE Managed Entities

- Depot Redevelopment Corporation of Memphis and Shelby County

- Greater Memphis Alliance for a Competitive Workforce (GMACWorkforce)

- Industrial Development Board of the City of Memphis and County of Shelby, TN

- Memphis and Shelby County Port Commission

EDGE Properties

- Depot

- Frank C. Pidgeon Industrial Park

- Presidents Island
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* Mr. Jackson is an Officer of the Board, but does not hold the position of GMACWorkforce board member.